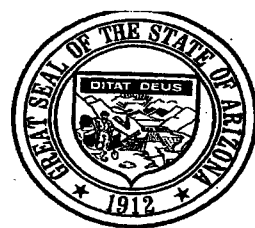


ARIZONA DEPARTMENT OF WATER RESOURCES

Hydrology Division

500 N. Third Street • Phoenix, Arizona 85004-3921

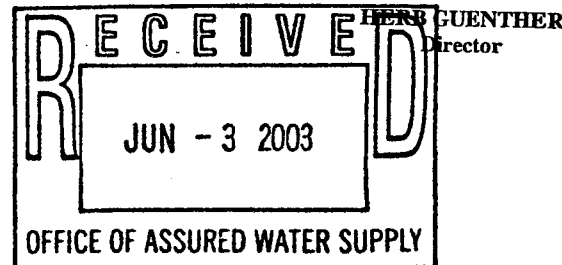
Telephone (602) 417-2448 • Fax (602) 417-2425



June 2, 2003

JANET NAPOLITANO  
Governor

Mr. William Lucas  
Director of Operations, Tucson Division  
Department of Real Estate  
400 West Congress, Suite 523  
Tucson, Arizona 85701



Re: Canyon De Flores, Phase II, Cochise County  
Water Adequacy Report # 22-400908

Dear Mr. Lucas:

Pursuant to A.R.S. §45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above captioned subdivision located in Sections 23 and 24, T22S, R20E, Cochise County, Arizona.

The water supply plans call for water for domestic use to be provided to each of the 355 lots in the subdivision by Pueblo Del Sol Water Company from wells within its franchised area.

Adequacy of the water supply was reviewed by the Department with regard to quality, quantity and dependability. The subdivision is located about 3 miles south of the Town of Sierra Vista, Arizona. Information available to the Department indicates that the depth to water in the area is 365 to 406 feet below land surface. Water levels presently are declining at a rate of about 1.27 feet per year. Existing wells are capable of producing sufficient water for the subdivision. Therefore, the Department of Water Resources finds the water supply to be adequate to meet the subdivision's projected needs.

Surface water rights in the San Pedro River Basin are included in the ongoing General Stream Adjudication of the Gila River and Source in the Maricopa County Superior Court (Gila River adjudication). One of the issues before the Adjudication Court involves a determination of the circumstances under which water withdrawn from a well will be subject to the Adjudication Court's jurisdiction. The water supply for the proposed subdivision is currently physically and legally available. Whether, in the future, the Gila River adjudication process will have an effect on the legal availability of the water supply for the proposed subdivision cannot be determined at this time.

This letter, which constitutes the Department's report on the subdivision's water supply, is being forwarded to your office as required by A.R.S. §45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Cochise County Recorder is being officially notified of the developer's compliance with the law.

If you have any questions, please contact Dan Holden at (602) 417-2400, ext. 7317.

Sincerely,

Frank Putman  
Acting Assistant Director

GW/KM/DH  
202374

cc: Castle & Cooke Arizona, Inc.  
Mr. Mike Hennen, Pueblo Del Sol Water Company  
Mr. Mike Lacey, Fluid Solutions  
Mr. James Vlahovich, Cochise County Planning and Zoning  
Ms. Christine M. Rhodes, Cochise County Recorder  
Mr. Roy Tanney, Department of Real Estate, Phoenix  
Mr. Doug Dunham, ADWR